

ANNUAL REPORT
of the
DETROIT AND MACKINAC
RAILWAY COMPANY

FOR THE FISCAL YEAR ENDING DECEMBER 31st
1937

TRANSPORTATION LIBRARY

ANNUAL REPORT
of the
DETROIT AND MACKINAC
RAILWAY COMPANY

FOR THE FISCAL YEAR ENDING DECEMBER 31st

1937

DETROIT AND MACKINAC RAILWAY COMPANY

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

HENRY K. McHARG	Ridgefield, Conn.
DAVID H. PIERSON	Elizabeth, N. J.
JAMES BROWN MABON	New York, N. Y.
JAMES McNEIL	New York, N. Y.
EDWIN G. MERRILL	New York, N. Y.

OFFICERS

HENRY K. McHARG, <i>President</i>	Ridgefield, Conn.
C. A. PINKERTON, <i>Vice-President and General Manager</i>	Tawas City, Michigan
JAMES McNEIL, <i>Secretary and Treasurer</i>	New York, N. Y.
GEORGE J. BERGEVIN, <i>Auditor</i>	Tawas City, Michigan
N. W. SALSBERY, <i>Asst. Treasurer and Asst. Secretary</i>	Tawas City, Michigan
R. W. HICKEY, <i>Purchasing Agent</i>	Tawas City, Michigan
CARL R. HENRY, <i>General Counsel</i>	Alpena, Michigan
A. S. MATTESON, <i>Traffic Manager</i>	Alpena, Michigan

FISCAL AND TRANSFER AGENTS

J. P. Morgan & Company	New York, N. Y.
------------------------------	-----------------

REGISTRAR OF STOCK

Central Hanover Bank and Trust Company	New York, N. Y.
--	-----------------

ANNUAL MEETING

The last Tuesday in April is the date of Annual Meeting of Stockholders.

General Office (in Michigan)	Tawas City, Michigan
General Office (outside of Michigan)	110 William Street, New York, N. Y.

COLEGROVE, MURPHY & ANGELL
CERTIFIED PUBLIC ACCOUNTANTS
LAFAYETTE BUILDING
DETROIT

ALBERT M. COLEGROVE, C. P. A.
HARRY L. MURPHY, C. P. A.
C. ROBERT ANGELL, C. P. A.
W. ALFRED DEBO, Attorney

February 14, 1938

Mr. George J. Bergevin, Auditor,
Detroit and Mackinac Railway Company,
Tawas City, Michigan.

Dear Sir:

Pursuant to your request, we have made a cash audit of the accounts of the Detroit and Mackinac Railway Company for the year ended December 31, 1937, and herewith present statements showing the result of the operation of your company for the period under review.

We certify that, according to the books and records, the attached balance sheet reflects the true financial condition of your company as at December 31, 1937, and the accompanying schedules are a correct expression of the results of your operations for the year ended on that date.

Very truly yours,
COLEGROVE, MURPHY & ANGELL,
By Harry L. Murphy,
Certified Public Accountant.

REPORT OF THE
VICE-PRESIDENT TO THE STOCK AND BONDHOLDERS
OF THE
DETROIT AND MACKINAC RAILWAY COMPANY

Tawas City, Michigan, February 21, 1938.

To the Stockholders and Bondholders of the Detroit and Mackinac Railway Company:

Operating Revenues amounted to \$885,445.46, an increase of \$81,961.07, (10.2%), resulting from an improvement in business during the year, with the exception of the months of November and December. Freight Revenue amounted to \$768,055.12, an increase of \$77,549.07, (11.2%). Crude Oil, to the amount of 110,000 tons, with revenue, \$76,000.00, had the largest increase of any commodity. Emergency increases in freight rates, expired by limitation on December 31, 1936, and the Interstate Commerce Commission declined to extend them, resulting in a reduction in our revenue.

Better progress during the year was made than we anticipated on the application of steel side frames to trucks, and general repairs to the bodies, of our steel under-frame box cars. At the close of the year, 153 of these cars were equipped and repaired, suitable for general use, and acceptable for interchange under M. C. B. Rules. 71 cars remain to be equipped and repaired in 1938, to meet these requirements. Our gondola cars, of all wood construction, cannot now be used for off line loading.

The Net Debit to Equipment Rents amounted to \$62,899.41, an increase of \$17,890.39, (39.7%), resulting from the increased volume of traffic handled, and the reduction in our Freight Car Equipment.

Transportation Expenses increased \$89,338.07, (14.8%), resulting from restored rates of pay, and the increased volume of traffic handled. The ratio of Operating Expenses to Revenues was 78.5%.

Accruals for Federal and State Unemployment Insurance, the rates for which will increase in later years, and the Federal Excise Tax, in connection with the Railroad Retirement Act, substantially increased our expenses.

During the year, due to the improvement in revenue, it was possible to make some needed repairs to buildings and roadway, but there still remains much to be done, to place the property in good condition. Increases in wages, and the rising cost of materials, made it necessary to postpone other improvements.

I take this opportunity to express my appreciation for the support received from the Patrons of our road, and for the efficient and loyal cooperation of the officers and employees.

The usual tables for your information follow.

Respectfully submitted,

C. A. PINKERTON,

Vice-President and General Manager.

DETROIT AND MACKINAC RAILWAY COMPANY

OFFICE OF AUDITOR

Tawas City, Mich., Feb. 15, 1938.

HENRY K. McHARG, ESQ.,
President.

Dear Sir:

I herewith submit statements of the General Accounts and tables showing the result of operations of the Detroit and Mackinac Railway Company for the fiscal year ended December 31st, 1937, as follows:

TABLE A—Condensed General Balance Sheet.

TABLE B—Income Account.

TABLE C—Particulars of Bonded Debt.

TABLE D—Comparative Financial Statement.

TABLE E—Revenues and Expenses by years.

TABLE E-1—Net Revenue from Railway Operations and Tax Accruals by years.

TABLE F—Details of Operating Expenses.

TABLE G—Mileage.

TABLE H—Classification of Freight Tonnage, 1936 and 1937.

TABLE I—Statistics for years 1936 and 1937.

TABLE J—Equipment.

TABLE K—Yard Tracks, Sidings and Spurs built and taken up during year.

Respectfully,

GEORGE J. BERGEVIN,

Auditor.

TABLE A

DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1937, AND COMPARISON WITH
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1936, SHOWING INCREASE OR DECREASE

ASSETS

	Items	Total	Increase	Decrease
<i>Investments:</i>		\$7,233,223.94		
Investment in Road and Equipment.....	\$7,184,510.72			\$151,358.59
Miscellaneous Physical Property.....	41,894.39			1,011.00
Investments in Affiliated Companies.....	6,758.83			2,252.93
Deposits in Lieu of Mortgage Property Sold.....	60.00			
<i>Current Assets:</i>		458,677.13		
Cash.....	73,720.68			
Special Deposits—J. P. Morgan Coupon Account.....	164,960.00		\$161,900.00	221,277.04
Traffic and Car Service Balances Receivable.....	2,043.31			1,275.93
Net Balances Receivable from Agents and Conductors.....	12,147.30			10,997.66
Miscellaneous Accounts Receivable.....	26,222.70			1,951.14
Material and Supplies.....	179,270.67		56.82	7,822.15
Other Current Assets.....	312.47			
<i>Deferred Assets:</i>		770.96		
Working Fund Advances.....	567.54			
Other Deferred Assets.....	203.42		108.47	
<i>Unadjusted Debits:</i>		12,741.69		
Insurance Premiums Paid in Advance.....	4,606.51		2,957.88	
Other Unadjusted Debits.....	8,135.18		263.78	
Total.....		\$7,705,413.72		\$232,659.49

TABLE A—(Continued)

LIABILITIES		Total	Increase	Decrease
	Items			
<i>Capital Stock:</i>				
Common Stock.....	\$2,000,000.00	\$2,950,000.00		
Preferred Stock.....	950,000.00			
<i>Grants in Aid of Construction:</i>				
<i>Long Term Debt:</i>				
First Lien Bonds.....	\$1,484,000.00	313.10		
Held in Treasury.....	112,000.00			
Outstanding.....	1,372,000.00	2,622,000.00		\$112,000.00
Mortgage Bonds.....	1,750,000.00			
Pledged as Collateral.....	500,000.00	560,845.56		
Outstanding.....	1,250,000.00			
<i>Current Liabilities:</i>				
Loans and Bills Payable.....	285,000.00	\$ 35,000.00		13,837.72
Traffic and Car Service Balances Payable.....	46,829.53			
Audited Accounts and Wages Payable.....	46,065.86	2,069.93		8,281.63
Miscellaneous Accounts Payable.....	7,722.63			
Interest Matured Unpaid.....	164,960.00			81,764.48
Unmatured Interest Accrued.....	9,690.00			
Other Current Liabilities.....	577.54	914,561.34		4,936.43
<i>Unadjusted Credits:</i>				
Tax Liability.....	17,424.44			11,012.46
Accrued Depreciation—Road.....	133,576.04			
Accrued Depreciation—Equipment.....	759,955.97	322.26		90,683.91
Other Unadjusted Credits.....	3,604.89			
<i>Corporate Surplus:</i>				
Additions to Property through Income and Surplus.....	1,856,337.35	657,693.72		135.03
Profit and Loss—Debit Balance.....	1,198,643.63			
Total.....		\$ 7,705,413.72		\$232,659.49

TABLE B

DETROIT AND MACKINAC RAILWAY COMPANY

INCOME ACCOUNT, DECEMBER 31, 1937, COMPARED WITH FISCAL YEAR ENDED DECEMBER 31, 1936.

	1937	1936	Increase	Decrease
Freight	\$ 768,055.12	\$ 690,506.05	\$ 77,549.07	
Passenger	38,500.03	37,276.88	1,223.15	
Excess Baggage	293.36	92.56	200.80	
Mail	41,553.81	40,906.40	647.41	
Express	13,701.47	15,067.44		\$ 1,365.97
Other Passenger Train	2,609.44	4,059.49		1,450.05
Milk	9,462.96	9,297.27	165.69	
Switching	3,258.50	86.15	3,172.35	
Station, Train and Boat Privileges	73.75	112.20		38.45
Parcel Room	9.90	7.70	2.20	
Storage—Freight	436.19	417.29	18.90	
Demurrage	1,476.00	816.00	660.00	
Telegraph and Telephone	164.62	330.77		166.15
Rents of Buildings and Other Property	4,114.33	4,058.35	55.98	
Miscellaneous	1,726.27	445.77	1,280.50	
Joint Facility—Cr.	11.06	14.48		3.42
Joint Facility—Dr.	1.35	10.41		9.06
Total Operating Revenues	\$ 885,445.46	\$ 803,484.39	\$ 81,961.07	

OPERATING EXPENSES

Maintenance of Way and Structures	\$ 143,950.33	\$ 126,113.55	\$ 17,836.78
Maintenance of Equipment	184,640.13	140,203.54	44,436.59

TABLE B—(Continued)

	1937	1936	Increase	Decrease
Traffic	\$ 11,414.95	\$ 10,954.43	\$ 460.52	
Transportation—Rail Line	313,698.78	286,450.57	27,248.21	
Miscellaneous Operations	189.90	124.20	65.70	
General	41,531.96	42,061.62		\$ 529.66
Transportation for Investment—Cr.	782.19	602.12	180.07	
Total Operating Expenses	\$ 694,643.86	\$ 605,305.79	\$ 89,338.07	
Net Operating Revenue	190,801.60	198,178.60		7,377.00
Railway Tax Accruals	35,134.67	21,118.51	14,016.16	
Railway Operating Income	\$ 155,666.93	\$ 177,060.09		\$ 21,393.16
Income from Lease of Road	1,875.40	1,792.05	83.35	
Miscellaneous Rent Income	1,028.50	570.00	458.50	
Miscellaneous Non-Operating Physical Property	199.86	279.70		79.84
Equipment Rents	† 62,899.41	† 45,009.02		17,890.39
Joint Facility Rents	† 1,325.64	† 1,308.77		16.87
Total Income	\$ 94,545.64	\$ 133,384.05		\$ 38,838.41
Miscellaneous Rents	30.00	30.00		
Miscellaneous Tax Accruals	860.57	790.53	70.04	
Interest on Funded Debt	95,546.66	109,360.00		13,813.34
Interest on Unfunded Debt	10,296.45	10,074.38	222.07	
Miscellaneous Income Charges	2,061.80	1,112.20	949.60	
Income Balance Transferred to Profit and Loss	\$* 14,249.84	\$ 12,016.94		\$ 26,266.78

† Debit. * Deficit.

TABLE B—(Continued)

DETROIT AND MACKINAC RAILWAY COMPANY
PROFIT AND LOSS ACCOUNT

Debit Balance, January 1, 1937.....	\$ 1,251,230.22	
Debit Balance Transferred from Income.....	14,249.84	
Miscellaneous Credits		\$ 73,273.43
Debits from Retired Road and Equipment.....	5,235.12	
Miscellaneous Debits	1,201.88	
Debit Balance Carried to Balance Sheet.....		1,198,643.63
	<u>\$ 1,271,917.06</u>	<u>\$ 1,271,917.06</u>

TABLE C

PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$1,372,000.00	4%	June and December	\$ 54,880.00	June 1, 1995
Mort.	1,250,000.00	4%	June and December	50,000.00	June 1, 1995
	<u>\$2,622,000.00</u>			<u>\$104,880.00</u>	

TABLE D
DETROIT AND MACKINAC RAILWAY COMPANY
COMPARATIVE FINANCIAL STATEMENT

CURRENT ASSETS	Dec. 31, 1935	Dec. 31, 1936	Dec. 31, 1937
Cash	\$ 200,605.47	\$ 294,997.72	\$ 73,720.68
Special Funds.....	2,400.00	3,060.00	164,960.00
Due from Station Agents and Others..	35,171.79	51,318.80	38,370.00
Material and Supplies.....	181,227.18	187,092.82	179,270.67
Prepaid and Deferred Charges.....	4,430.42	2,311.12	5,377.47
Other Unadjusted Debits.....	8,824.60	8,127.05	8,447.65
Totals.....	\$ 432,659.46	\$ 546,907.51	\$ 470,146.47
LESS CURRENT LIABILITIES			
Audited Vouchers and Pay Rolls.....\$	40,245.18	\$ 43,995.93	\$ 46,065.86
Notes Payable.....	250,000.00	250,000.00	285,000.00
Accrued Taxes, Interest and Traffic Balances	324,780.97	363,974.29	245,160.83
Totals	\$ 615,026.15	\$ 657,970.22	\$ 576,226.69
Net Assets.....	\$* 182,366.69	\$* 111,062.71	\$* 106,080.22
CAPITAL ASSETS			
Cost of Road	\$ 6,039,352.96	\$ 6,048,025.28	\$ 6,049,255.97
Cost of Equipment	1,434,312.89	1,287,844.03	1,135,254.75
Miscellaneous Physical Property.....	43,830.39	42,905.39	41,894.39
Investments in Affiliated Companies.	16,897.09	9,011.76	6,758.83
Deposits for Property Sold.....	60.00	60.00	60.00
Totals.....	\$ 7,534,453.33	\$ 7,387,846.46	\$ 7,233,223.94
REPRESENTING			
Bonds Issued—First Lien.....	\$ 1,484,000.00	\$ 1,484,000.00	\$ 1,372,000.00
Bonds Issued—Mortgage.....	1,250,000.00	1,250,000.00	1,250,000.00
Stock Issued—Common.....	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred.....	950,000.00	950,000.00	950,000.00
Reserves.....	1,066,258.60	984,215.92	893,532.01
Grants in Aid of Construction.....	313.10	313.10	313.10
Other Unadjusted Credits.....	6,246.19	3,282.63	3,604.89
Additions to Property Through In- come and Surplus.....	1,856,202.32	1,856,202.32	1,856,337.35
Surplus.....	† 1,260,933.57	† 1,251,230.22	† 1,198,643.63
Totals	\$ 7,352,086.64	\$ 7,276,783.75	\$ 7,127,143.72

† Deficit. * Credit.

TABLE E

DETROIT AND MACKINAC RAILWAY COMPANY

REVENUES AND EXPENSES BY YEARS

REVENUES	1933	Per	1934	Per	1935	Per	1936	Per	1937	Per
	Amount	Cent.	Amount	Cent.	Amount	Cent.	Amount	Cent.	Amount	Cent.
Freight.....	\$494,230.91	82.10	\$530,785.20	83.86	\$549,215.42	83.91	\$690,506.05	85.94	\$768,055.12	86.74
Passenger.....	30,037.41	4.99	31,770.32	5.02	31,186.47	4.76	37,276.88	4.64	38,500.03	4.35
Mail.....	39,740.25	6.60	39,781.41	6.29	40,326.76	6.17	40,906.40	5.09	41,553.81	4.69
Express.....	20,821.82	3.46	12,637.12	2.00	15,628.51	2.39	15,067.44	1.88	13,701.47	1.55
Milk.....	7,559.76	1.26	8,119.51	1.28	8,860.50	1.35	9,297.27	1.16	9,462.96	1.07
Other Sources.....	9,570.62	1.59	9,810.80	1.55	9,288.25	1.42	10,430.35	1.29	14,172.07	1.60
Total.....	\$601,960.77	100%	\$632,904.36	100%	\$654,505.91	100%	\$803,484.39	100%	\$885,445.46	100%
EXPENSES										
Maint. Way and Structures.....	115,187.24	22.63	114,118.14	22.19	120,962.31	22.05	126,113.55	20.83	143,950.33	20.72
Maintenance Equipment.....	88,348.68	17.36	79,707.26	15.50	119,667.36	21.81	140,203.54	23.16	184,640.13	26.58
Traffic.....	11,661.73	2.29	10,310.90	2.00	10,529.21	1.92	10,954.43	1.81	11,414.95	1.64
Transportation.....	249,333.78	48.99	254,831.14	49.55	263,109.23	47.95	286,450.57	47.33	313,698.78	45.16
Miscellaneous Operations.....			74.84	.01	137.34	.03	124.20	.02	189.90	.03
General.....	44,921.26	8.83	55,375.55	10.76	34,334.76	6.26	42,061.62	6.95	41,531.96	5.98
Transportation for Invest- ment—Cr.....	527.97	.10	85.10	.01	116.64	.02	602.12	.10	782.19	.11
Total.....	\$508,924.72	100%	\$514,332.73	100%	\$548,623.57	100%	\$605,305.79	100%	\$694,643.86	100%
Net Earnings.....	93,036.05	15.45	118,571.63	18.73	105,882.34	16.18	198,178.60	24.66	190,801.60	21.55
Taxes.....	42,747.21	7.10	1,733.27	.27	15,247.76	2.33	21,118.51	2.63	35,134.67	3.97
Net Earnings, less Taxes.....	\$ 50,288.84	8.35	\$116,838.36	18.46	\$ 90,634.58	13.85	\$177,060.09	22.03	\$155,666.93	17.58

TABLE E-1

DETROIT AND MACKINAC RAILWAY COMPANY

RAILWAY OPERATING REVENUES, EXPENSES AND TAX ACCRUALS BY YEARS

Year	Revenues	Expenses	Net Revenue	Railway Tax Accruals	Net Revenue Less Tax Accruals
1926.....	\$1,625,950.14	\$1,448,330.89	\$177,619.25	\$112,759.60	\$ 64,859.65
1927.....	1,626,388.27	1,395,680.04	230,708.23	121,621.29	109,086.94
1928.....	1,668,742.83	1,238,996.90	429,745.93	130,616.03	299,129.90
1929.....	1,586,301.94	1,274,010.74	312,291.20	103,237.43	209,053.77
1930.....	1,082,774.02	959,900.99	122,873.03	91,649.69	31,223.34
1931.....	1,000,892.10	734,866.26	266,025.84	70,731.10	195,294.74
1932.....	759,894.83	606,788.00	153,106.83	50,001.27	103,105.56
1933.....	601,960.77	508,924.72	93,036.05	42,747.21	50,288.84
1934.....	632,904.36	514,332.73	118,571.63	* 1,733.27	116,838.36
1935.....	654,505.91	548,623.57	105,882.34	15,247.76	90,634.58
1936.....	803,484.39	605,305.79	198,178.60	21,118.51	177,060.09
1937.....	885,445.46	694,643.86	190,801.60	35,134.67	155,666.93

* Includes \$26,714.43 Credit Adjustment.

TABLE F

DETROIT AND MACKINAC RAILWAY COMPANY

OPERATING EXPENSES

1937 COMPARED WITH 1936

MAINTENANCE OF WAY AND STRUCTURES

	Amount	Increase	Decrease
Superintendence.....	\$ 10,462.87	\$ 874.64	
Roadway Maintenance.....	14,913.51	6,161.26	
Bridges, Trestles and Culverts.....	1,555.99	190.36	
Ties.....	21,772.59	60.23	
Rails.....	511.57		\$ 733.97
Other Track Material.....	6,314.37		710.37
Ballast.....	811.32	604.14	
Track Laying and Surfacing.....	58,357.69	14,498.36	
Fences, Snowsheds and Signs.....	2,321.64	1,300.00	
Station and Office Buildings.....	6,963.34	5,627.41	
Roadway Buildings.....	412.91	427.78	
Water Stations.....	1,199.86	413.85	
Fuel Stations.....	1,104.44		136.41
Shops and Enginehouses.....	5,493.32		1,526.79
Telegraph and Telephone Lines.....	976.60	201.90	
Signals and Interlockers.....	193.97		5,125.77
Power Plants.....			20.09
Power Transmission Systems.....	10.77		40.68
Roadway Machines.....	2,967.28	1,025.83	
Small Tools and Supplies.....	2,488.97	434.44	
Removing Snow, Ice and Sand.....	2,180.28		5,554.01
Public Improvements, Maintenance.....	877.64		181.60
Injuries to Persons.....	288.80	73.15	
Insurance.....	1,095.55		87.72
Stationery and Printing.....	365.37	95.00	
Maintaining Joint Tracks, Yards, and Other Facilities—Dr.....	914.14	25.22	
Maintaining Joint Tracks, Yards and Other Facilities—Cr.....	604.46	59.38	
Total.....	\$143,950.33	\$ 17,836.78	

TABLE F—(Continued)

MAINTENANCE OF EQUIPMENT

	Amount	Increase	Decrease
Superintendence.....	\$ 13,233.34	\$ 3,169.46	
Shop Machinery.....	1,474.56	892.03	
Power Plant Machinery.....	478.32		\$ 122.73
Steam Locomotives—Repairs.....	45,730.94	10,244.89	
Other Locomotives—Repairs.....	5.47	.63	
Freight Train Cars—Repairs.....	60,848.60	26,263.81	
Passenger Train Cars—Repairs.....	19,450.14	1,671.67	
Work Equipment—Repairs.....	1,994.02		149.74
Miscellaneous Equipment—Repairs.....	81.27	20.35	
Equipment—Retirement.....	3,301.86		590.21
Equipment—Depreciation.....	34,672.94	136.79	
Injuries to Persons.....	1,836.21	1,554.24	
Insurance.....	576.31		58.26
Stationery and Printing.....	515.23	262.37	
Other Expenses.....	737.11	350.96	
Maintaining Joint Equipment—Dr.....	149.12	2.88	
Maintaining Joint Equipment—Cr.....	445.31		787.45
Total.....	\$184,640.13	\$ 44,436.59	

TRAFFIC

Superintendence.....	\$ 6,559.73	\$ 388.78	
Advertising.....	373.27		\$ 239.34
Traffic Associations.....	1,752.28	216.96	
Insurance.....	22.77	11.42	
Stationery and Printing.....	2,706.90	82.70	
Total.....	\$ 11,414.95	\$ 460.52	

TRANSPORTATION—RAIL LINE

Superintendence.....	\$ 17,726.22	\$ 2,264.87	
Dispatching Trains.....	7,129.13	954.25	
Station Employees.....	52,258.83	5,124.18	
Weighing, Inspection and Demurrage Bureaus.....	93.49		\$ 129.49
Station Supplies and Expenses.....	3,623.67	334.82	
Yardmasters and Yard Clerks.....	6,480.16		264.30
Yard Conductors and Brakemen.....	9,063.33	877.66	
Yard Enginemen.....	7,896.67	1,145.87	
Yard Switching Fuel.....	8,290.50	432.31	
Water for Yard Locomotives.....	765.99	65.39	
Lubricants for Yard Locomotives.....	279.58	16.19	
Other Supplies for Yard Locomotives.....	141.47	53.46	
Enginehouse Expenses—Yard.....	4,299.65	754.79	
Yard Supplies and Expenses.....	1,012.34	164.46	
Train Enginemen.....	31,282.05	1,910.05	
Train Motormen.....	6,890.18	1,473.87	
Train Fuel.....	61,590.88	2,069.29	
Water for Train Locomotives.....	2,310.11		253.57
Lubricants for Train Locomotives.....	1,599.01	71.09	
Other Supplies for Train Locomotives.....	562.01	88.86	
Enginehouse Expenses—Train.....	23,194.05	3,398.48	
Trainmen.....	41,880.89	3,891.49	

TABLE F—(Continued)

	Amount	Increase	Decrease
Train Supplies and Expenses.....	\$ 10,838.91	\$ 1,174.21	
Crossing Protection.....	214.73		\$ 18.12
Drawbridge Operation.....	2,923.34	363.63	
Telegraph and Telephone Operation.....	2,911.24	71.28	
Stationery and Printing.....	3,290.24	506.58	
Other Expenses.....	50.68		17.03
Insurance	441.85	34.57	
Clearing Wrecks.....	861.37	501.38	
Damage to Property.....	65.00	40.00	
Damage to Live Stock on Right of Way.....	54.23		31.16
Loss and Damage—Freight.....	2,064.62	1,193.68	
Loss and Damage—Baggage.....	4.00	4.00	
Injuries to Persons.....	937.01		868.40
Operating Joint Yards and Terminals—Dr.....	8,007.64	748.68	
Operating Joint Yards and Terminals—Cr.....	6,404.79	314.24	
Operating Joint Tracks and Facilities—Dr.....	634.88		419.21
Operating Joint Tracks and Facilities—Cr.....	1,566.38	165.66	
Total.....	\$313,698.78	\$ 27,248.21	

MISCELLANEOUS OPERATIONS

Dining and Buffet Service	\$ 189.90	\$ 65.70
---------------------------------	-----------	----------

GENERAL

Salaries and Expense of General Officers.....	\$ 10,991.81	\$ 1,382.73	
Salaries and Expenses of Clerks and Attendants.....	19,832.39	2,647.54	
General Office Supplies and Expenses.....	940.63	11.39	
Law Expense.....	2,333.87		\$1,543.46
Insurance	128.65	10.02	
Pensions	3,397.60		4,600.40
Stationery and Printing.....	2,532.95	777.48	
Other Expenses.....	1,374.06	785.04	
Total.....	\$ 41,531.96		\$ 529.66

SUMMARY

Maintenance of Way and Structures.....	\$143,950.33	\$ 17,836.78	
Maintenance of Equipment.....	184,640.13	44,436.59	
Traffic.....	11,414.95	460.52	
Transportation—Rail Line.....	313,698.78	27,248.21	
Miscellaneous Operations.....	189.90	65.70	
General.....	41,531.96		\$ 529.66
Transportation for Investment—Cr.....	782.19	180.07	
Total Operating Expenses.....	\$694,643.86	\$ 89,338.07	

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF MILEAGE, DECEMBER 31, 1937

MAIN LINE

North Bay City to Cheboygan.....	195.10
One-half Undivided Ownership—Foss to North Bay City.....	.26

BRANCHES

Omer to AuGres	7.95
National City to Prescott	12.26
Alabaster Junction to Alabaster	4.27
Hillman Junction to Emerson	10.38
Rogers City Junction to Rogers City.....	14.33
Total	49.19
Total Main Line and Branches	244.55
Yard Tracks and Sidings	61.75
Total, all Tracks (miles)	306.30

TABLE H

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

<i>Products of Agriculture:</i>	1937 Tons	Per Cent.	1936 Tons	Per Cent.
Grain	478	.1	973	.2
Flour	1,839	.2	2,427	.4
Other Mill Products	614	.1	222	
Hay and Straw	5,975	.8	127	
Potatoes	13,548	1.7	13,234	2.0
Fruits and Vegetables	4,961	.6	5,628	.8
Sugar Beets	11,475	1.5	16,906	2.5
Other Products of Agriculture	1,987	.2	137	
Totals	40,877	5.2	39,654	5.9

TABLE H—(Continued)

	1937 Tons	Per Cent.	1936 Tons	Per Cent.
<i>Animals and Products:</i>				
Live Stock	761	.1	1,201	.2
Wool	59		53	
Hides and Leather	1,402	.2	1,117	.2
Other Animals and Products.....	627	.1	397	
Totals	2,849	.4	2,768	.4
<i>Products of Mines:</i>				
Anthracite Coal	495	.1	625	.1
Bituminous Coal	50,719	6.5	50,431	7.6
Coke	1,295	.2	908	.1
Clay, Gravel, Sand and Stone	306,763	39.2	327,739	49.2
Petroleum—Crude	110,779	14.1	5,607	.8
Other Products of Mines	3,627	.5	3,351	.5
Totals	473,678	60.6	388,661	58.3
<i>Products of Forests:</i>				
Pulp Wood	29,653	3.8	19,482	2.9
Lumber, Shingles and Lath	11,389	1.4	9,949	1.5
Other Products of Forests	5,203	.7	4,408	.7
Totals	46,245	5.9	33,839	5.1
<i>Manufactures and Miscellaneous:</i>				
Refined Petroleum and its Products.....	36,115	4.6	36,852	5.5
Sugar	404	.1	223	
Rails and Fastenings	403	.1	843	.1
Bar and Sheet Iron, Structural Iron, and Iron Pipe	3,847	.5	2,924	.5
Castings, Machinery and Boilers	2,712	.3	1,954	.3
Cement	12,151	1.6	18,009	2.7
Brick and Artificial Stone	2,419	.3	2,210	.3
Lime and Plaster	30,290	3.9	24,094	3.6
Building Paper and Prepared Roofing Materials	1,593	.2	1,572	.3
Beverages	69		64	
Fertilizers (all kinds)	1,185	.1	855	.1
Chemicals and Explosives	1,088	.1	966	.2
Canned Goods (all canned food products).....	527	.1	658	.1
Paper Bags and Wrapping Paper.....	14,016	1.8	10,687	1.6
Paperboard, Pulpboard and Wallboard.....	5,348	.7	5,894	.9
Other Manufactures and Miscellaneous....	92,414	11.8	81,412	12.2
Totals	204,581	26.2	189,217	28.4
All L. C. L. Freight	13,678	1.7	12,593	1.9
Grand Total, Carload and L. C. L. Traffic	781,908	100%	666,732	100%

TABLE I
DETROIT AND MACKINAC RAILWAY COMPANY
FREIGHT STATISTICS

	1937	1936
Number tons revenue freight carried.....	781,908	666,732
Number tons non-revenue freight carried.....	27,426	34,987
Total number tons of freight carried.....	809,334	701,719
Number revenue tons carried one mile.....	54,915,000	49,245,000
Number all tons carried one mile.....	56,984,000	52,020,000
Number revenue tons carried one mile, per mile of road	226,846	203,424
Number tons all freight carried one mile, per mile of road	235,393	214,888
Average distance haul of one ton revenue freight, (miles)	70.23	73.86
Average distance haul of one ton all freight (miles)	70.41	74.13
Total freight revenue	\$ 768,055.12	\$ 690,506.05
Average amount received for each ton of freight98228	1.03566
Average receipts, per ton, per mile.....	.01399	.01402
Freight revenue, per mile of road.....	3,172.73	2,852.39
Freight revenue, per train mile	4.81	4.42
Average number of revenue tons, per train mile	344.23	315.38
Average number of all tons, per train mile.....	357.20	333.15
Average number of all tons, per loaded car mile	24.9	25.6
Average number of cars, per train mile.....	23.4	20.9

PASSENGER STATISTICS

Number of passengers carried.....	26,080	24,574
Number of passengers carried one mile.....	2,014,600	1,970,600
Number of passengers carried one mile, per mile of road	8,322	8,140
Average distance each passenger carried (miles)	77.20	80.20
Passenger revenue	\$ 38,500.03	\$ 37,276.88
Average amount received from each passenger..	1.48	1.51
Average receipts, per passenger, per mile.....	.01911	.01892
Total passenger train earnings	106,121.00	106,700.00
Passenger earnings, per mile of road.....	438.37	440.76
Passenger earnings, per train mile.....	.58	.60
Average number of passengers, per train mile....	10.94	11.02

OPERATING STATISTICS

Gross revenue from operation	\$ 885,445.46	\$ 803,484.39
Gross revenue from operation, per mile of road..	3,657.65	3,319.08
Operating expenses	694,643.86	605,305.79
Operating expenses, per mile of road	2,869.48	2,500.44
Operating expenses, per train mile	2.02	1.81
Net operating revenue	190,801.60	198,178.60
Net operating revenues, per mile of road.....	788.17	818.64
Ratio of expenses to earnings	78.45	75.34

TABLE J
DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT

<i>Locomotives:</i>	1936	1937
Passenger	6	5
Freight	11	11
Switching	5	5
Totals	22	21
<i>Passenger Cars:</i>		
Coaches	7	5
Cafe	1	1
Parlor	1	1
Gas Electric Combination Passenger, Baggage and Mail	2	2
Combination Passenger and Baggage	4	4
Combination Baggage and Mail	2	2
Baggage and Express Cars	18	17
Express Refrigerators	5	8
Totals	40	40
<i>Freight Cars:</i>		
Box	249	224
Flat	51	41
Coal Cars	151	55
Refrigerators	6	6
Caboose Cars	11	10
Totals	468	336
<i>In Company's Service:</i>		
Officers	1	1
Ballast	6	3
Derrick Cars	1	1
Flangers	11	11
Snow Plow	1	1
Jordan Spreader	1	1
Industrial Crane	1	1
Other Road Cars	78	81
Totals	100	100
<i>Summary:</i>		
Total number of Locomotives owned	22	21
Total number of Cars owned	608	476

TABLE K

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF TRACKS BUILT AND TAKEN UP DURING

YEAR 1937

TRACKS BUILT

Track Order	YARD TRACKS, SIDINGS AND SPURS	Location	Feet
1878	Track No. 1-B	Rogers City Jct.	2502
1880	Track No. 176	Case	825
1882	Track No. 225-A	Aloha	495
Total			3822

TRACKS TAKEN UP

Track Order	YARD TRACKS, SIDINGS AND SPURS	Location	Feet
1875	Track No. 144	Fletcher Jct.	133
1876	Track No. 6	Alpena	30
1876	Track No. 23	Alpena	79
1877	Track No. 157	Cedar Spur	1007
1879	Track No. 106	AuSable	299
1881	Track No. 51	Alpena	300
1883	Track No. 15	Rogers City	10
1885	Track No. 95	Tawas Beach	321
1886	Track No. 169	Big Cut	160
1886	Track No. 28-A	Big Cut	1951
1886	Track No. 28-B	Big Cut	200
1886	Track No. 29-A	Big Cut	720
1886	Track No. 29-B	Big Cut	495
Total			5705

SUMMARY

	Miles
Tracks Taken Up	1.08
Tracks Built72
Net decrease36

